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## **PRODUCT IN THE SUSTAINABLE MARKETING CONCEPT**

The achievement of economic goals while respecting the environment and considering social aspects without harming future generations is included in the area of sustainable development. A special role in sustainable marketing, which is part of a sustainable development, plays a product which is the most important component of a sustainable marketing mix. The area of interest is the strategy of product in sustainable marketing activities of businesses. The aim of this study is the analysis and summary of the major findings of the literature on the subject of the work. The paper is theoretical in nature and is based on literature studies in the field on the theme and the author's experience. Testing method applied is the study of literature based, inter alia, on the use of secondary sources such as: national and international scientific publications, scholarly articles, scholarly journals, magazines and trade directories, statistical yearbooks, conference materials, laws, internet information services. As a result of recognition of the state of knowledge in the field of sustainable marketing, including sustainable product strategy, it should be noted that this is a new and growing area of research that requires further analysis in theoretical and empirical terms. The presented solutions are designed to serve as a model and may be a signpost to the business operators.

**Keywords:** sustainable development, sustainable marketing, sustainable product

### **INTRODUCTION**

The progressive development of civilization and the increase in the number of inhabitants of the Earth, prompts production companies to produce more and more products. An increasing number of the world's population contributes to the increase in demand for a variety of goods, which is reflected in the increase of production. Rapidly increasing production and sales is a source of income for the production organisation. The observed situation carries with it some risk to the environment. On one hand, manufacturing companies produce ever-increasing quantities of goods counting incomes on the sale, on the other hand, the increasing consumption contributes to environmental degradation. A countless number of products flood the world market, causing environmental and social problems. In order to reduce the negative impact of business production processes, companies should implement the concept of sustainable marketing, including strategy for sustainable product.

The sustainable marketing theory suggests a completely different approach to a range of marketing activities that were previously carried out by operators. Therefore, there is a need to extend knowledge through further theoretical and research analysis.

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Marketing and product strategy in the sustainable concept includes human affairs orientation, so the focus is on the man himself, future generations and the socio- environmental surrounding. The essence of sustainable marketing and product strategy as claimed by Gary Armstrong and Philip Kotler is to conduct business with respect for the environment that meets the needs of consumers and businesses while providing the ability to satisfy the needs of different generations or even increase their capacity to meet them in the future.

## 1. SUSTAINABLE DEVELOPMENT IN THE ENTERPRISES MARKET

Sustainable development is a relatively new area included in the management sciences. Due to the seriousness of the issue, sustainable development is receiving more and more interest among scientists and the enterprise and social organisations itself. Kiefer Lee and Steve Carter argue that the origin of the term comes from the broad global debate on the environment. Undertaken global debate focuses on the problems of achieving sustainable development, which should meet the needs of the present generation and at the same time ensure the opportunity to meet such needs for future generations. This concept was discussed at the Earth Summit in Rio de Janeiro in 1992 and the Kyoto summit in 1997 and The Hague in 2000<sup>2</sup>.

An increasing number of the world's population contributes to the increase in demand for various goods. This represents an increase in global demand for food, tangible products and services. To meet them, there is a need to increase the volume of production leading to the formation of new businesses and the expansion of the production capacity of existing entities. The effect of these changes is a greater demand for raw materials, water, fuel and other goods to enable the functioning of economies, including those of the enterprise. Enlargement of the society is accompanied by rapid economic growth. This results in a transformation of an increasing number of commodities into products, which further results in the significant energy and water consumption, formation of waste and toxic substances. Increasing global production and consumption (including the enterprise market) causes unheard in the history of mankind destruction in the natural environment<sup>3</sup>. Therefore, manufacturing and service companies should take on the concept of sustainable marketing, including the implementation of strategies for sustainable product. Citing Holger Rogall, it can be concluded that the Earth's natural resource consumption and pollutant emissions will increase. The author argues that after 280 years they will be a thousand times greater than it is today<sup>4</sup>. The presented information are alarming for the future of the next generations and their chances of development. Destruction of the environment is irreversible and it should be remembered that some minerals have limited resource.

The process of globalization has become a reality, and its impact covers all areas of social life, the economy, politics, culture, ecology and science. The prevailing economic globalization processes affects trade processes between the economic systems functioning in the world.

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<sup>2</sup> K. Lee, S. Carter, *Global Marketing Management*, Oxford University Press, New York 2009.

<sup>3</sup> A. Pabian, *Zrównoważony marketing na rynku przedsiębiorstw*, „Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu”, Poznań 2012/226.

<sup>4</sup> H. Rogall, *Ekonomia zrównoważonego rozwoju. Teoria i praktyka*, Zysk i S-ka, Poznań 2010.

Increasing social and economic disparities between the industrialized rich countries and developing countries where extreme poverty is increasingly deepening division between rich and poor. An example of social stratification of the world population is the problem of hunger. In rich countries of Western Europe and the United States, there are millions of tons of wasted food that goes in the trash, while the poor countries of Africa suffer famine. The population of the world in the 21st century cannot cope with the problem of hunger and poverty. The concept of sustainable development seems to be a useful solution to the growing problems of social, economic and environmental impacts. To implement the principle of sustainable development there must be a change of thinking of world leaders, politicians, managers, managing large corporations, and above all, of the population of the world that has the greatest impact on the political, social and economic changes in their own countries.

Sustainable development in the enterprise market means achieving its economic objectives by the company, taking into account environmental and social aspects contributing in this way to provide opportunities for the development of future generations or even increase of these opportunities.<sup>5</sup> Promoting fairness in global trade, the rational exploitation of natural resources of the Earth, reducing harmful emissions generated in the production process, social sensitivity to violence, injustice, and the prevailing poverty and equitable distribution of wealth is the basis of sustainable development and improves the quality of life of modern societies.

## 2. SUSTAINABLE MARKETING OF ENTERPRISES

Marketing is the driving force of manufacturing and sales activities in most businesses. Marketing and production activities primarily affect the negative ecological and social processes. Production consumes vast quantities of raw materials necessary to produce goods. This produces a countless number of waste products and by-products. The task of sustainable marketing is balancing the emerging adverse effects on environmental and social grounds. Sustainable marketing, in order to be in full compliance, should include the following areas of activities<sup>6</sup>:

- sustainable research and analysis of business marketing environment;
- sustainable selection of target markets;
- sustainable marketing mix;
- sustainable management of marketing activities.

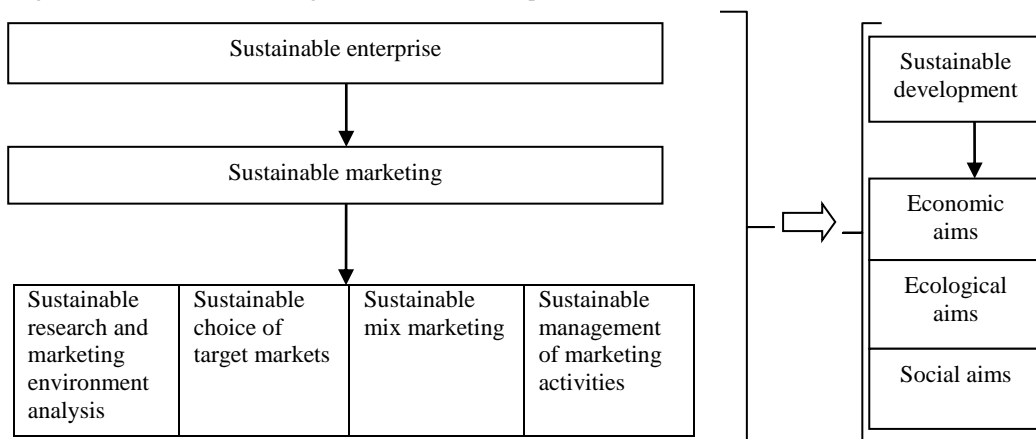
Through the implementation of these areas the company will be able to execute the ideas of sustainable development, which include the economic, ecological and social aims of an enterprise. The concept of sustainable marketing graphically is presented.

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<sup>5</sup> G. Armstrong, P. Kotler, *Marketing wprowadzenie*, Wolters Kluwer, Warszawa 2012.

<sup>6</sup> A. Pabian, *op. cit.*

Figure 1. Sustainable marketing in a sustainable enterprise



Source: own work on basis A. Pabian, *Zrównoważony marketing na rynku przedsiębiorstw*, “Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu” 2012/226, p. 128.

The concept of sustainable marketing is a new and not fully specified term. In the literature on marketing issues much space is devoted to this subject. In reviewing the literature it can be found, inter alia, the definition of sustainable marketing proposed by Gary Armstrong and Philip Kotler, who claim that it is “socially responsible marketing, conducted with respect for the environment that meets the current needs of consumers and businesses, while maintaining or even improving the ability of future generations to meet their needs in the future”<sup>7</sup>. Due to the small number of definitions of sustainable marketing proposed in the marketing literature, the author tries to formulate this concept as follows: *sustainable marketing embraces rational, responsible and ethical marketing activities of the company, meeting the needs and desires of the client, with the respect for and protection of the environment and simultaneously achieving the economic goals of enterprise*. Citing Frank-Martin Belz it can be concluded that sustainable marketing is to meet the needs and expectations of consumers with respect to social and environmental values and at the same time providing a benefit to the organisation. This will make possible by maintaining a sustainable relation with buyers, social and ecological surrounding<sup>8</sup>.

<sup>7</sup> G. Armstrong, P. Kotler, *op. cit.*

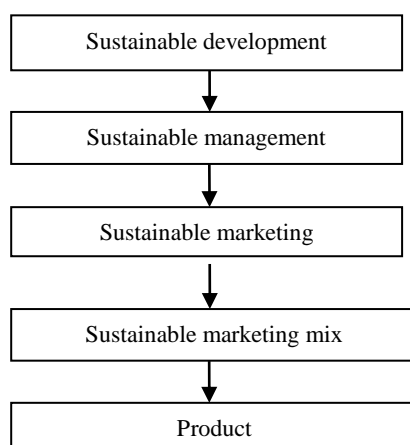
<sup>8</sup> F.-M. Belz, *Marketing in the 21 st Century*, “Business Strategy and the Environment” 15/3 (2006).

### 3. PRODUCT IN THE SUSTAINABLE MARKETING SPHERE

The concept of sustainable product is a derivative of actions in the field of sustainable management, sustainable marketing and sustainable marketing mix. As a result of successively appearing stages a sustainable product is formed.

An important issue is the fact that since the beginning of the production activities of an enterprise each of the listed phase was carried out on the base of assumptions of sustainable business operations, which means developing skills to achieve business objectives, taking into account environmental and social aspects. Arnold Pabian points out to yet another stage, namely sustainable development as the beginning of the road to a sustainable product<sup>9</sup>.

Figure 2. Product in the structure of sustainable development



Source: own work on basis of A. Pabian, *Strategia produktu w zrównoważonej działalności marketingowej*, „Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu”, Poznań 2011/172, p. 150.

Donald Fuller writes that sustainable products “they possess positive ecological attributes that are nothing more than enhanced waste management factors that have been purposely designed in (embedded) through decisions concerning how products are made/manufactured, what they are made of, how they function, how long they last, how they are distributed, how they are used, and how they are disposed of at the end of useful service life. These decisions essentially operationalize pollution prevention.”<sup>10</sup>

The product in sustainable concept should meet the needs and expectations of customers. The observed phenomenon of an increased number of customers who purchase products that meet environmental and pro-social norms, which means those that do not cause losses in the

<sup>9</sup> A. Pabian, *Strategia produktu w zrównoważonej działalności marketingowej*, „Zeszyty Naukowe Uniwersytetu Ekonomicznego w Poznaniu” 2011/172.

<sup>10</sup> D. Fuller, *Sustainable marketing. Managerial-ecological issues*, SAGE, California 1999.

environment and do not harm the man, leads to a change in company policy in relation to the product. Consumer awareness on care for the environment and pro-social expectations of buyers towards entrepreneurial activity in the longer term will affect the change of thinking of executives that, trying to meet the demands of customers, will have to implement into the enterprise activities based on the concept of sustainable management and marketing. Companies deciding to launch a new product, should plan product life cycle in such a way that it can serve its customers as long as possible without causing damage to the environment and society. A particularly important phase in the product life cycle will be the last one, which is death, decline or a withdraw from the market. The duties of the company should include developing ways to decommissioning and disposal of the product, which was in the last stage of the life cycle. The role and participation of the organisation in the final stage of the life cycle is important because the opinion of managers responsible for production may specify which parts, components and materials of the old product can be useful and reused for the new batch. No less important is the first phase of the product life cycle, the phase of the launch. In this phase, the buyer meets its usability and learns the proper use of the product in the case of complex electrical, electronic or other ones. Proper use contributes to a longer life of the product, which will translate into less demand for mineral resources, energy consumption for the production of a specific product. Product in the sustainable concept implies development of such product life cycle that will satisfy the needs of customers while not inflicting harm to the environment and society.

Out of the wide range of similar products offered to customers, a sustainable product that has been developed taking into account environmental and social aspects, will certainly stand out against identical or similar products. Diversity of product offerings can help companies gain a competitive advantage over other manufacturers offering the same or similar goods. For this reason, in addition to the difficulties faced by sustainable manufacturing companies, there is a chance in creating sustainable products to gain leadership in sales and increase market share of manufacturing organisation.

The strategy of sustainable products involves at the production stage elimination of the emission of harmful gases, liquids, solids and radiation and reduce the waste of energy, heat, water, raw materials and other elements necessary to produce the product. During use, sustainable product is characterised by its durability, functionality and is safe for people using it, which means that it does not endanger the health and lives of a purchaser. An important feature of the product produced in accordance with the concept of sustainable marketing is to save energy, fuel, water, gas and other substances repelling the move of the product. This applies to a specific group of mainly mechanical products, which use different types of energy. Another important feature is the durability of sustainable product use. Reliable products are used for a long time by the consumer and rarely break down. Unfortunately, many of the manufacturers develop a policy that determines the lifetime of the product, which may be used for a short period, followed by the total corruption of the product. As a result, the amount of waste increases, which leads to countless tons of waste destined for disposal or recycling, as well as causing problems with the storage of unnecessary products. In place of the discarded products,

new batches are introduced, which entails the acquisition of raw materials, fuel and energy necessary to produce them<sup>11</sup>.

Ernst von Weizsacker, Amory Lovins and L. Hunter Lovins suggest that sustainability is one of the most obvious strategy to reduce waste and improve the productivity of materials<sup>12</sup>.

Frank-Martin Belz and Ken Peattie emphasize that a good way to reduce the volume of production, thus limiting the use of mineral resources, energy consumption and emissions as well as waste generation is the principle of mutual lending products. The authors suggest that this is particularly justified in the case of products that are expensive and rarely used, such as power tools. Sharing products can contribute to a decline in demand for products and thus reduce the natural environmental destruction<sup>13</sup>.

#### 4. CONCLUSIONS

Sustainable marketing activity of production companies involves manufacturing products considering the environmental and social aspects in order to increase the opportunities for the development of future generations. The role of a sustainable company does not end with just manufacturing the product and its introduction into the market. Pointing to the above description it should be emphasized that sustainable product strategies go beyond the production activities. The concept of sustainable product requires monitoring of the life of the product from its birth to the descent of the market and liquidation.

The strategy of sustainable product should be consistent with the mission and objectives of the company, that requires the subordination of important areas of sustainable business companies, which include sustainable research and analysis of business marketing environment, a sustainable selection of target markets, sustainable marketing mix and sustainable management of marketing activities. Carrying a business in terms of sustainability is not a simple task. Implementation of projects of sustainable marketing requires from the companies to reconcile economic goals with environmental and social objectives. On one hand, the main objective of the manufacturing organization is such production that aim to increase sales and enlargement of market shares, and the other hand, introducing products of a high durability, which aims to contribute to long-term use and reducing of production. Strategy of the product durability is often contrasted with the interests of the company. According to the author's opinion, implementation of sustainable marketing, including sustainable product strategy for a long term business operations will benefit the interests of the organization, which will result in a competitive advantage.

Sustainable economic activity of enterprises is not universally popular among manufacturing organizations. Most companies are focused on profit and expanding its market share ignoring issues related to protection of the environment, or sensitivity to the social matters. According to the author, sustainable development and a growing awareness of societies will force

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<sup>11</sup> *Ibidem*.

<sup>12</sup> E. von Weizsacker, A. Lovins, L.H. Lovins, *Factor Four: Doubling Wealth, Halving Resource Use*, Earthscan, London 1997.

<sup>13</sup> F.-M. Belz, K. Peattie, *Sustainability Marketing*, Wiley & Sons, Hoboken 2010.

manufacturing companies to take action to protect the environment and to commit to social issues. In the longer term, companies that ignore emerging trends will be doomed to failure.

## LITERATURE

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## PRODUKT W KONCEPCJI ZRÓWNOWAŻONEGO MARKETINGU

Osiągnięcie celów ekonomicznych przy jednoczesnym poszanowaniu środowiska naturalnego oraz uwzględniania aspektów społecznych bez wyrządzania szkód przyszłym pokoleniom zawiera się w obszarze zrównoważonego rozwoju. Szczególną rolę w zrównoważonym marketingu, który wchodzi w skład zrównoważonego rozwoju odgrywa produkt będący najważniejszym elementem zrównoważonego marketingu mix. Obszarem zainteresowania autora jest strategia produktu w zrównoważonej działalności marketingowej przedsiębiorstw. Celem opracowania jest analiza i zestawienie najważniejszych ustaleń literaturowych dotyczących tematu pracy. Artykuł ma teoretyczny charakter i powstał w oparciu o studia literaturowe z zakresu podjętej tematyki oraz doświadczeń autora. Zastosowaną metodą badawczą jest studium literatury przedmiotu oparte między innymi na wykorzystaniu źródeł wtórnych takich jak: krajowe i zagraniczne zwarte publikacje naukowe, artykuły naukowe, czasopisma naukowe, czasopisma i katalogi branżowe, roczniki statystyczne, materiały konferencyjne, ustawy prawne, internetowe serwisy informacyjne z zakresu przedmiotowej tematyki. Przeprowadzone studia literaturowe pozwalają stwierdzić, iż ten obszar wiedzy znajduje odzwierciedlenie w takich nurtach jak marketing zielony, ekologiczny czy społeczny. W wyniku rozpoznania stanu wiedzy z zakresu zrównoważonego marketingu, w tym zrównoważonej strategii produktu należy stwierdzić, iż jest to nowy i rozwijający się obszar naukowy, który wymaga dalszej analizy pod względem teoretycznym jak i empirycznym. Pomimo nielicznych publikacji na temat zrównoważonego marketingu autor wskazuje, iż jest to bardzo ważny, ciekawy i przyszłościowy nurt badawczy z punktu widzenia przyszłych pokoleń, środowiska naturalnego, a także zmiany profilu funkcjonowania przedsiębiorstw. Przedstawione rozwiązania mają charakter modelowy i mogą być drogowskazem dla podmiotów gospodarczych.

**Słowa kluczowe:** zrównoważony rozwój, zrównoważony marketing, zrównoważony produkt

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